

TO: Members of the Transportation Review Committee

FROM: Eileen O. Yazzie, Transportation Programming Manager

DATE: May 20, 2011

SUBJECT: FEDERAL FISCAL YEAR (FFY) 2011 YEAR END CLOSEOUT

FFY 2011 OBLIGATION AUTHORITY

The federal government sets an "Obligation Authority" (OA) that establishes a line of credit to states for funding transportation projects. At the end of each federal fiscal year it expires, but in working with ADOT, they normally carry forward unused OA from the MAG region to the next year through a loan like mechanism.

Currently, \$2.65 million of OA is available for increasing the federal share of existing federally funded projects or funding new projects. These funds are from the deletion or abandonment of programmed FFY 2011 projects.

As of the date of this memo, it is anticipated that the MAG region will receive approximately \$131.6 million in OA in FFY 2011. As of this date, it is projected that \$125.13 million will be obligated by the end of the FFY 2011; \$47.8 million for CMAQ projects and \$77.3 million for STP projects. The difference of \$8.4 million can be used for projects requesting to be advanced and any remaining balance will be carry forward to ensure the projects requesting to be deferred, which total \$10.5 million, can move forward.

Additional Deferral and Deletion Requests

Since TRC took action in April 2011, there have been seven additional requests for deferrals from Fountain Hills, Gilbert, and Scottsdale. Scottsdale has also asked for a project to be deleted since it was complete with other funds. The request from Ft. McDowell Yavapai Nation is still under eligibility review. Please review Attachment 1 and find the new deferral and deletion requests listed on page one, and the projects already approved by Regional Council to be deferred. The tables are included to provide a comprehensive picture of the deferral and deletion requests.

DRAFT FY 2009 MAG Federal Fund Programming Principles

The 2011 Closeout process will follow the DRAFT FY 2009 MAG Federal Fund Programming Principles (Principles) which set forth guidelines on project selection for available federal funds. Per the Principles:

Projects submitted for use of Closeout funds will be selected based on the following three priorities as listed in order below:

1. Advancing projects (or phases of projects) of the same mode, that are already programmed in the current Transportation Improvement Program (TIP) with MAG federal funds from a future year, in chronological order of the TIP;
2. Adding additional federal funds to an existing, unobligated project, up to the originally programmed, federal-aid maximum, or the maximum established by the mode in the RTP, whichever is less.
3. New projects

Submittal of Projects

April 14, 2011 was the deadline to submit projects for Closeout. Please review Attachment 2. By the deadline, there were twenty three projects submitted requesting approx. \$24.3 million in additional federal funds, and \$3.2 million to be advanced projects from later years in the TIP. There was one MAG federally funded project requesting to be advanced (Priority #1), five projects requesting advancement and additional funds (Priority #1 & #2), of those, two can move forward without increased federal funding, ten projects requesting increased federal funds (Priority #2), and seven new projects requesting MAG federal funding for the first time (Priority #3). These projects are shown in the attached table.

Amount Available for FFY 2011 Closeout & Deletion of Projects

On May 25, 2011, it is anticipated that the MAG Regional Council will delete \$2.55 million in CMAQ funded, member agency projects. As well, there is a new request to delete funds from a Scottsdale that is part of this agenda item. This raises the amount of funds deleted to \$2.65 million. This is the amount available in the Closeout for additional funds for current FFY2011 CMAQ projects (Priority #2) and new projects (Priority #3). The three projects submitted for advancement (please review the attached table) that can obligate without an increase of funds (CHN14-102, MES13-905, and PHX14-102) could be considered to be advanced as Priority #1 if they are able to meet the required deadlines.

Proposed Closeout Scenarios

The following are scenarios for allocating additional CMAQ funding for closeout projects. Other scenarios can be discussed and developed at the Transportation Review Committee.

- I. Enforce modal funding allocations based on the source of funding.
 - Priority #1: There is sufficient funding from deferred projects to advance Priority #1 projects that will advance without increased funding: CHN14-102, MES13-905, and PHX14-102. It is recommended that all three of these projects be advanced to FFY 2011.
 - Priority #2: The total amount available to be programmed is \$2.65 million. Approximately \$1,660,569 of the funding available comes from the abandonment or deletion of Air Quality/Paving projects. The El Mirage paving project, ELM09-802 would absorb \$444,400 of this funding (as requested through the Closeout Project Request process), with the remainder of the \$1,216,169 to be distributed to the remaining paving project to be obligated this year: CHN07-601, CHN13-901, MMA11-109, MMA11-111, MMA11-801, PHX09-871, PHX13-904, and SUR09-820. Please see Attachment 3 for the list of paving projects set to obligate this year. This continues our commitment to address the PM-10 challenges in the MAG region.

Based on the same logic, Priority #2 ITS projects would be allocated \$452,500 for increases and priority #2 bicycle/pedestrian projects would be allocated \$543,331. *PLEASE NOTE: Projects for ITS and bicycle/pedestrian funds would still need to be decided.*

- Priority #3: No Priority #3 projects would receive not receive funding.
- II. Allocate funding for Priority #2 projects based on anticipated air quality benefits - CMAQ scores.
- Priority #1: There is sufficient funding from deferred projects to advance Priority #1 projects that will advance without increased funding: CHN14-102, MES13-905, and PHX14-102. It is recommended that all three of these projects be advanced to FFY 2011.
 - Priority #2: The total amount available to be programmed is \$2.65 million. Program funds based on anticipated air quality benefits - CMAQ scores.
 - Priority #3: No Priority #3 projects would receive not receive funding.
- III. Allocate funding to reward the timely completion of projects with the remainder of funding allocated to priority #2 projects based on air quality benefits.
- Priority #1: There is sufficient funding from deferred projects to advance Priority #1 projects that will advance without increased funding: CHN14-102, MES13-905, and PHX14-102. It is recommended that all three of these projects be advanced to FFY 2011.
 - Priority #2: The total amount available to be programmed is \$2.65 million. Provide increased funding only for projects from member agencies that are not deferring projects. This would provide \$1,157,380 for MMA11-722, MMA-11-723, MMA11-724, VMR09-826T, and LPK05-101C. The remainder of funds would be programmed based on anticipated air quality benefits - CMAQ scores.
 - Priority #3: No Priority #3 projects would receive not receive funding.

On the Agenda for Action

For information, discussion and possible action to recommend approval of additional projects to be deferred from FFY 2011 to FFY 2012 or later, make recommendations on priorities for utilizing MAG Federal funds, which become available through the FFY 2011 Closeout Process, and recommend approval to amend and modify the FY 2011-2015 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update.

If there are any questions regarding the FFY 2011 year-end Closeout process, please call Eileen Yazzie at 602-254-6300.